

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA**

In re:) Chapter 11
)
Blackjewel, L.L.C., et al.,) Case No. 19-bk-30289
)
 Debtors.¹) (Jointly Administered)

**DEBTORS' STATUS REPORT ON EXPEDITED SALE PROCESS
AND ADDITIONAL POST-PETITION FINANCING**

Blackjewel, L.L.C., and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases, hereby submit this status report with respect to their efforts to arrange an expedited sale process supported by additional post-petition financing.

1. On July 19, 2019, the Debtors filed their *Emergency Motion For an Order Authorizing Debtors to Obtain Interim Junior Postpetition Financing From New DIP Lenders* (the “Junior DIP Motion”) (Doc. No. 250). Pursuant to the Junior DIP Motion, the Debtors sought an additional \$2.9 million in financing (the “Junior DIP Loan”) from Highbridge Capital Management, LLC and Whitebox Advisors LLC (together, the “Junior DIP Lenders”).

2. The Bankruptcy Court approved the Junior DIP Motion by order entered on July 19, 2019 (Doc. No. 259). The Debtors expect to have sufficient funds to continue their current level of operations through Thursday July 25, 2019.

3. As reported to the Bankruptcy Court at the July 19, 2019 hearing on the Junior DIP Motion, the Debtors’ goal is to seek to arrange an expedited sale process intended to

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Blackjewel, L.L.C. (0823); Blackjewel Holdings L.L.C. (4745); Revelation Energy Holdings, LLC (8795); Revelation Management Corporation (8908) and Revelation Energy, LLC (4605). The headquarters for each of the Debtors is located at 1051 Main Street, Milton, West Virginia 25541-1215.

maximize the value of their assets for the benefit of the estates and their creditors and, to the greatest extent reasonably possible, to allow more employees to return to work.

4. The Debtors and their advisors have made meaningful progress toward reaching agreements with the Junior DIP Lenders, Contura Energy, Inc. and other parties with respect to the proposed expedited sale process of the Debtors' assets and the provision of the financing necessary to complete the proposed sale process, which agreements, if ultimately reached and approved by the Court, the Debtors expect should allow for the payment of anticipated administrative expenses incurred from the Petition Date through the conclusion of the sale process in these chapter 11 cases.

5. The Debtors' goal is to reach agreements with respect to (i) an increase in the amount of the Junior DIP Loan which would provide adequate funding for the proposed expedited sale process, and (ii) the submission of stalking horse bids for specific assets and operations of the Debtors (with respect to both the Debtors' eastern and western operations).

6. The Debtors' advisors have reached out to more than twenty (20) parties to solicit interest in acquiring the Debtors' assets with respect to their eastern and western operations. At this time, eight (8) parties have signed non-disclosure agreements (the "NDAs") and are actively engaged in conducting due diligence. Additional parties are expected to sign NDAs and perform due diligence. While the Debtors have not finalized the sale terms for the various stalking horse bids being negotiated, the parties with which the Debtors are engaged have expressed interest in assets in the Debtors' eastern and western operations.

7. The Debtors and their advisors are continuing to consult with their key stakeholders, including Riverstone Credit Partners, United Bank, the Official Committee of

Unsecured Creditors and the Office of the United States Trustee, among others, concerning these efforts.

8. The Debtors hope to file the necessary motions seeking approval of the expedited sale process and the additional financing later this week.

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